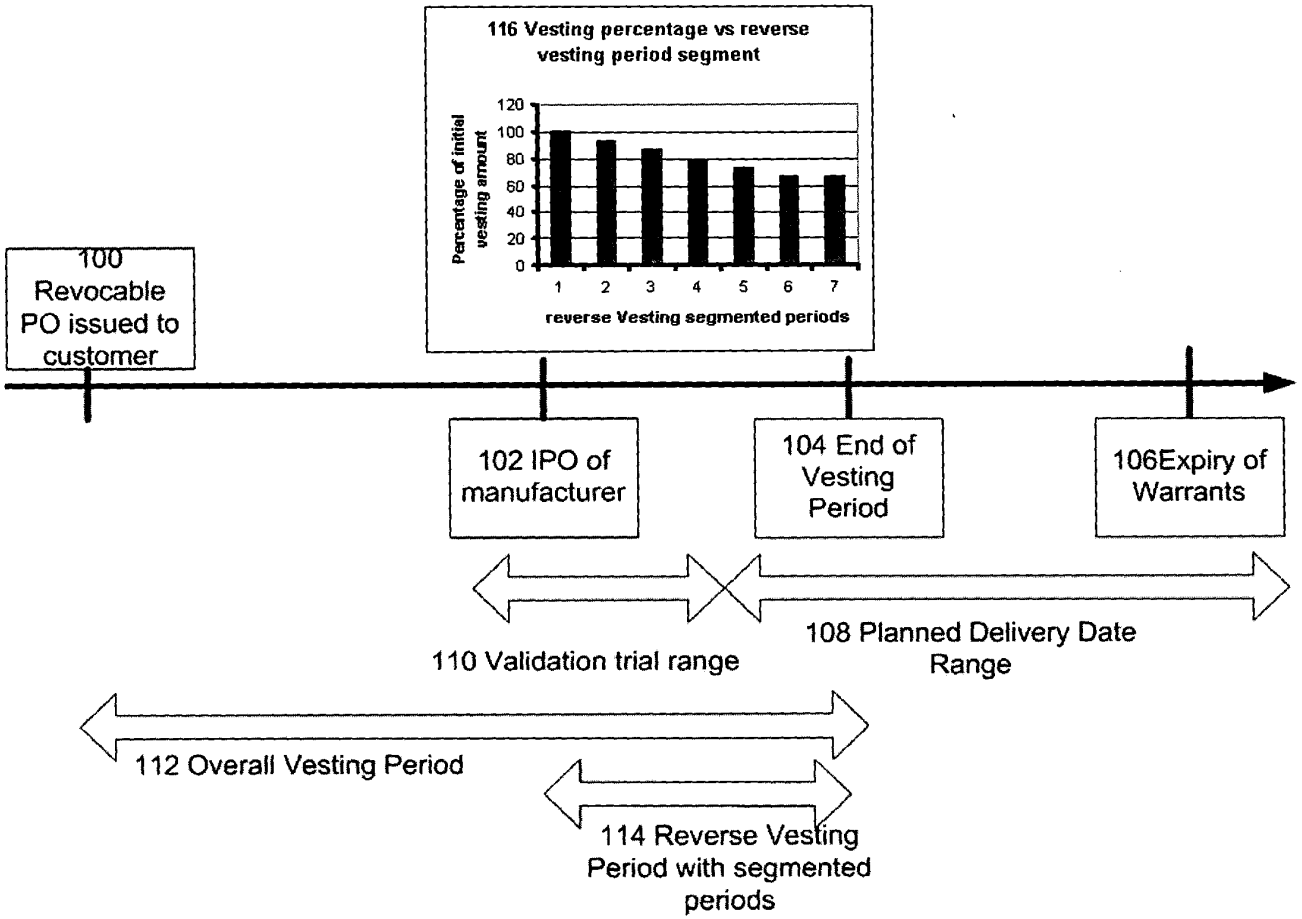
116 Vesting percentage vs reverse vesting period segment
Percentage of initial vesting amount
120
100
80
60
40
20
0
1
2
3
4
5
6
7
reverse Vesting segmented periods
100 Revocable PO issued to customer
102 IPO of manufacturer
104 End of Vesting Period
106Expiry of Warrants
110 Validation trial range
108 Planned Delivery Date Range
112 Overall Vesting Period
114 Reverse Vesting Period with segmented periods

Fig. 1

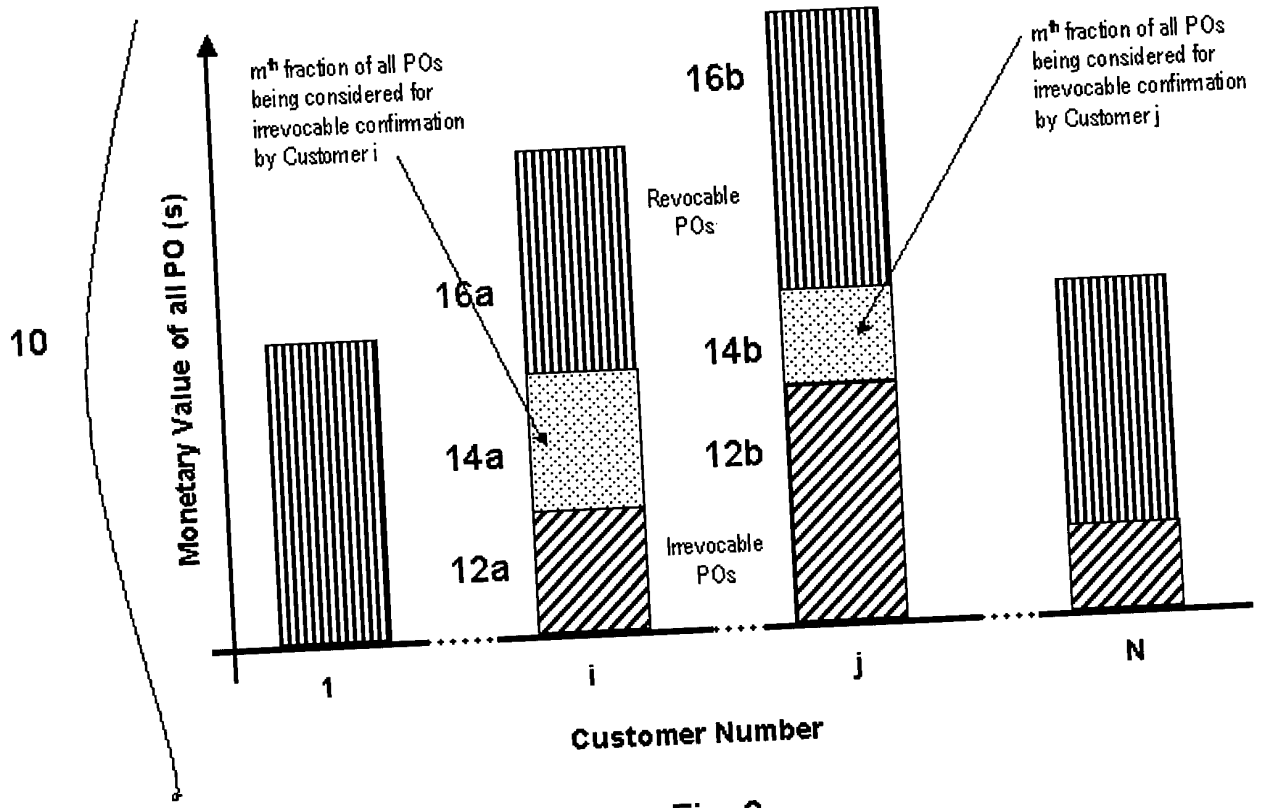
10
Monetary Value of all PO (s)
m^th fraction of all POs being considered for irrevocable confirmation by Customer i
m^th fraction of all POs being considered for irrevocable confirmation by Customer j
16b
16a
Revocable POs
14b
14a
12b
12a
Irrevocable POs
1
i
j
N
Customer Number

Fig. 2

Warrant Allocation Function		
Inputs		**Outputs**
Demand Curve for Customer i		Revocable PO for n_i units at unit price of p from Customer i
		Allotted Warrants to Customer i

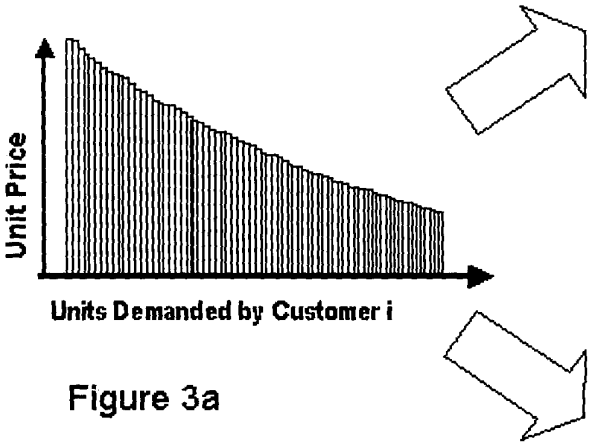

Figure 3a

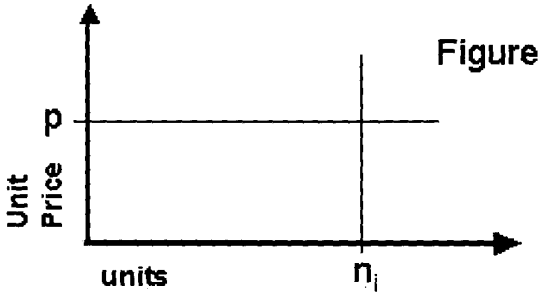

Figure 3b

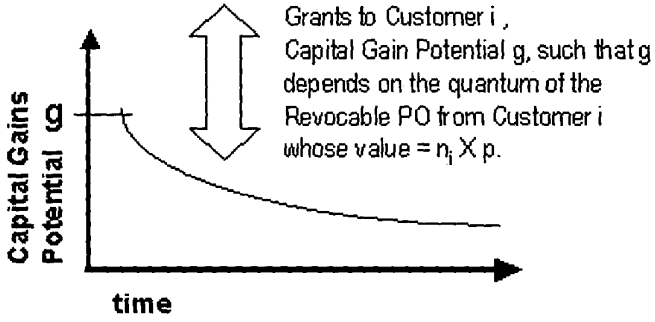

Figure 3c

Fig. 3

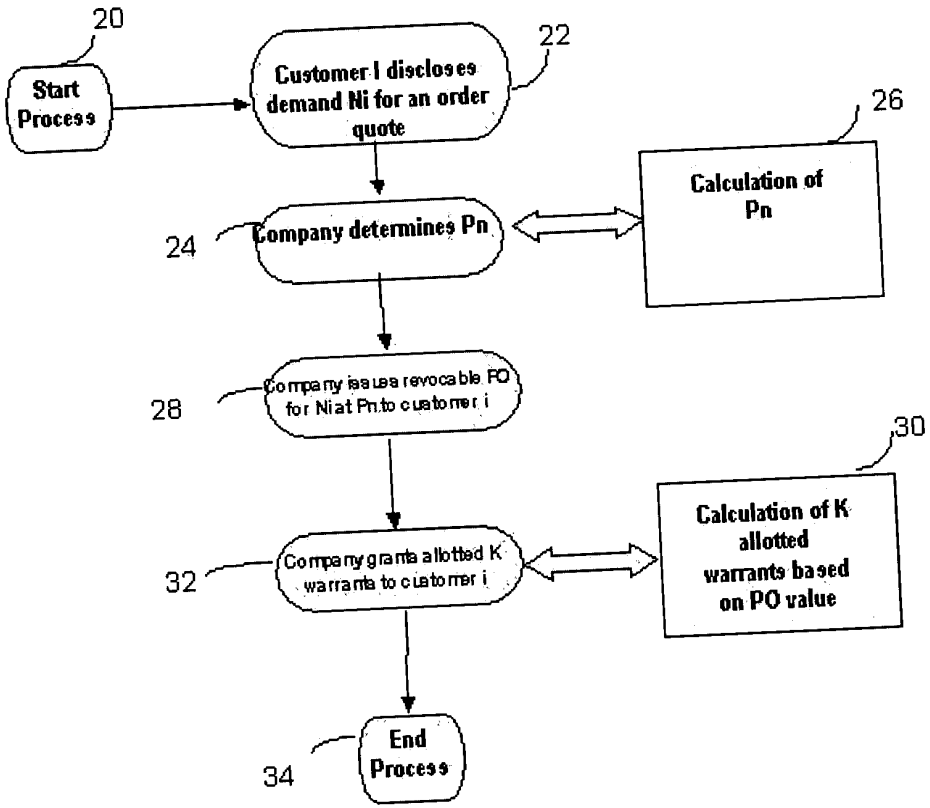
20
Start Process
22
Customer I discloses demand Ni for an order quote
26
Calculation of Pn
24
Company determines Pn
28
Company issues revocable PO for Ni at Pn to customer i
30
Calculation of K allotted warrants based on PO value
32
Company grants allotted K warrants to customer i
34
End Process

Fig. 4

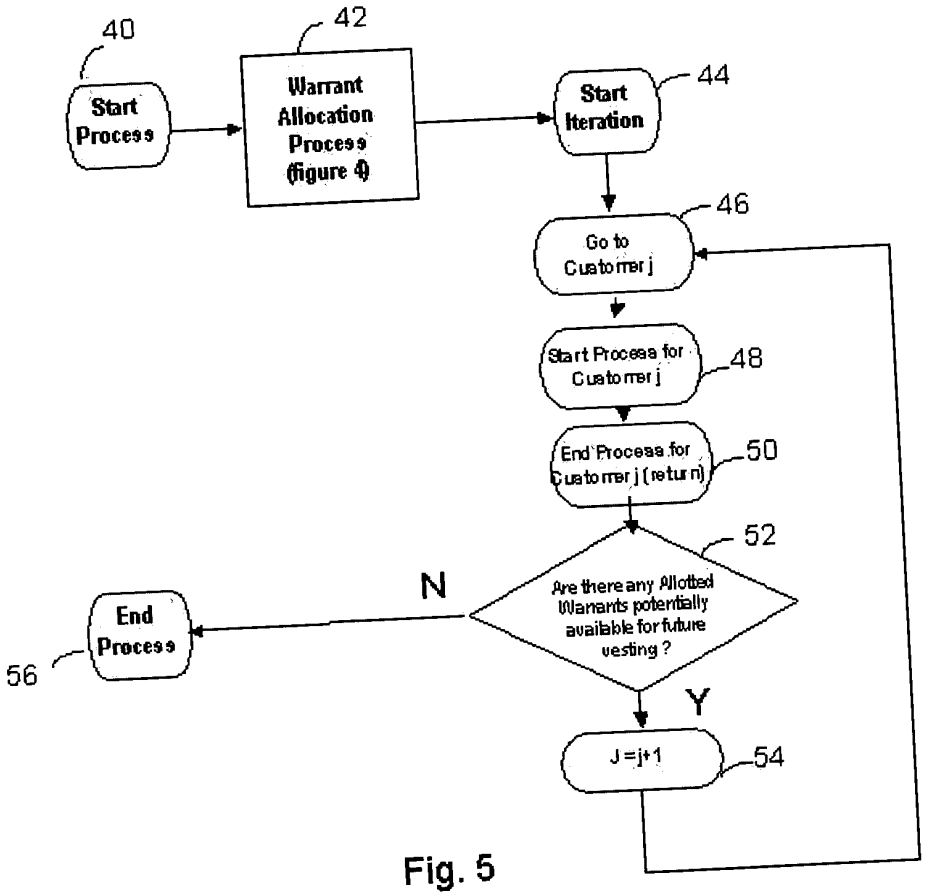
40
Start Process
42
Warrant Allocation Process (figure 4)
44
Start Iteration
46
Go to Customer j
48
Start Process for Customer j
50
End Process for Customer j (return)
52
Are there any Allotted Warrants potentially available for future vesting ?
N
Y
End Process
56
J=j+1
54

Fig. 5

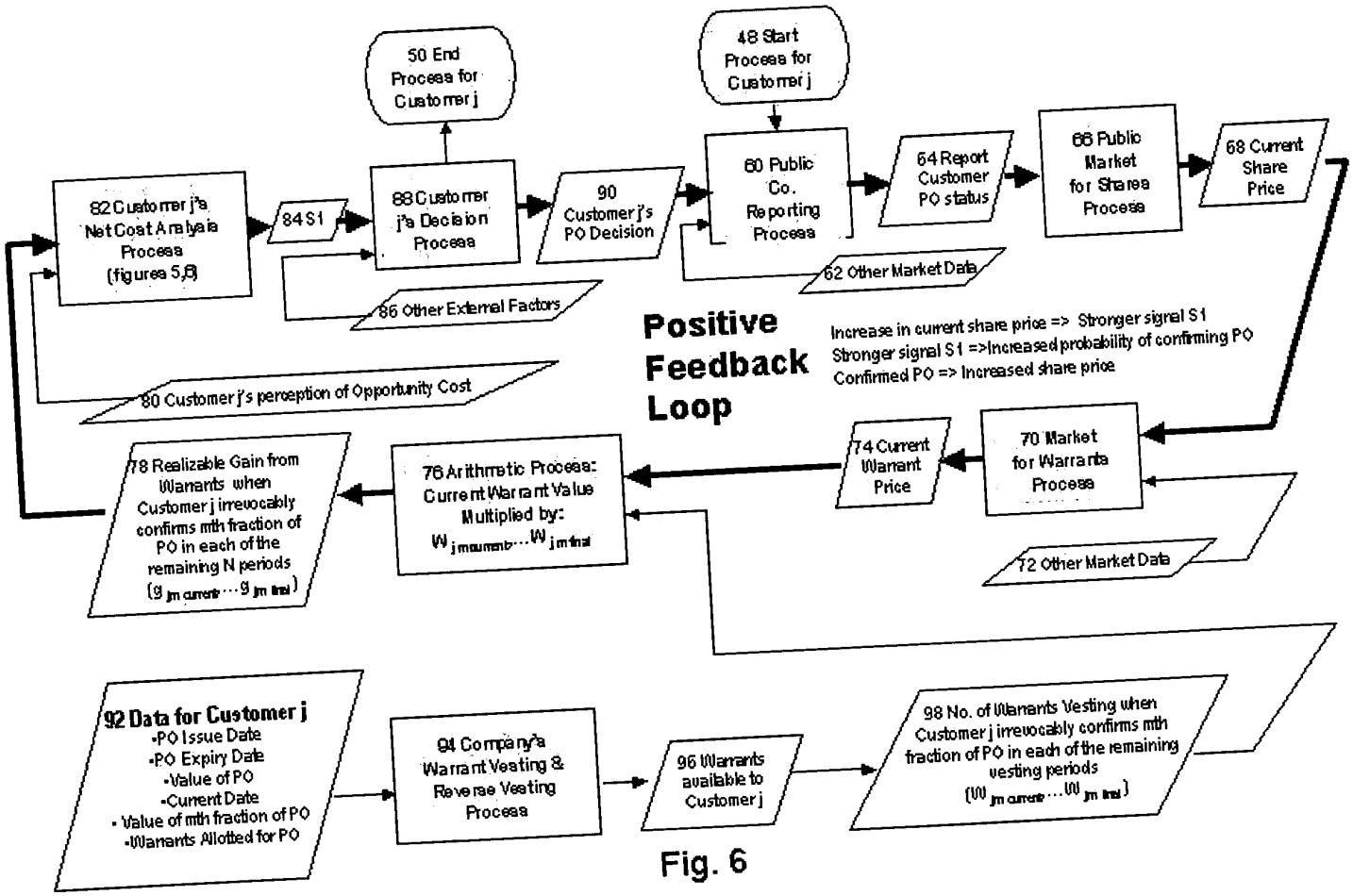
50 End Process for Customer j
48 Start Process for Customer j
82 Customer j's Net Cost Analysis Process (figures 5,8)
84 S1
88 Customer j's Decision Process
90 Customer j's PO Decision
60 Public Co. Reporting Process
64 Report Customer PO status
66 Public Market for Shares Process
68 Current Share Price
86 Other External Factors
62 Other Market Data
Positive Feedback Loop
Increase in current share price => Stronger signal S1
Stronger signal S1 =>Increased probability of confirming PO
Confirmed PO => Increased share price
80 Customer j's perception of Opportunity Cost
78 Realizable Gain from Warrants when Customer j irrevocably confirms mth fraction of PO in each of the remaining N periods
76 Arithmetic Process: Current Warrant Value Multiplied by:
74 Current Warrant Price
70 Market for Warrants Process
72 Other Market Data
92 Data for Customer j
•PO Issue Date
•PO Expiry Date
•Value of PO
•Current Date
• Value of mth fraction of PO
•Warrants Allotted for PO
94 Company's Warrant Vesting & Reverse Vesting Process
96 Warrants available to Customer j
98 No. of Warrants Vesting when Customer j irrevocably confirms mth fraction of PO in each of the remaining vesting periods

Fig. 6

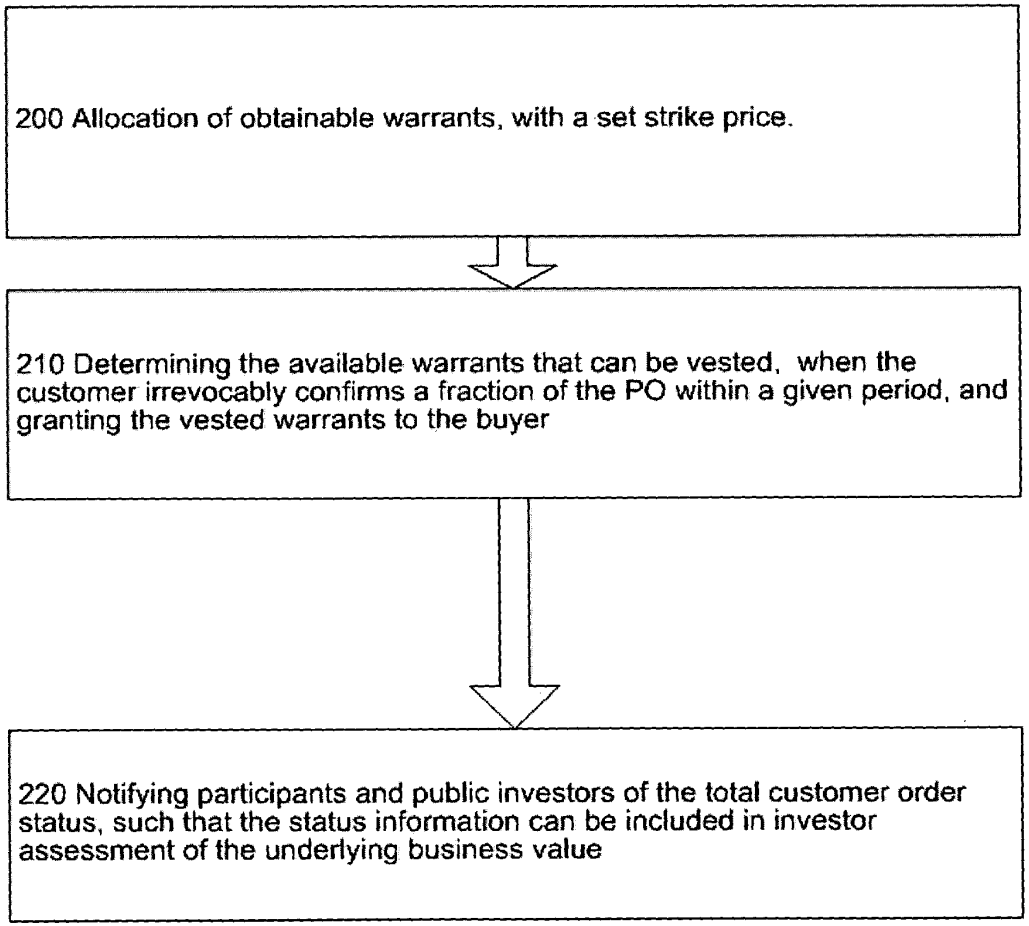
200 Allocation of obtainable warrants, with a set strike price.
210 Determining the available warrants that can be vested, when the customer irrevocably confirms a fraction of the PO within a given period, and granting the vested warrants to the buyer
220 Notifying participants and public investors of the total customer order status, such that the status information can be included in investor assessment of the underlying business value

Fig. 7

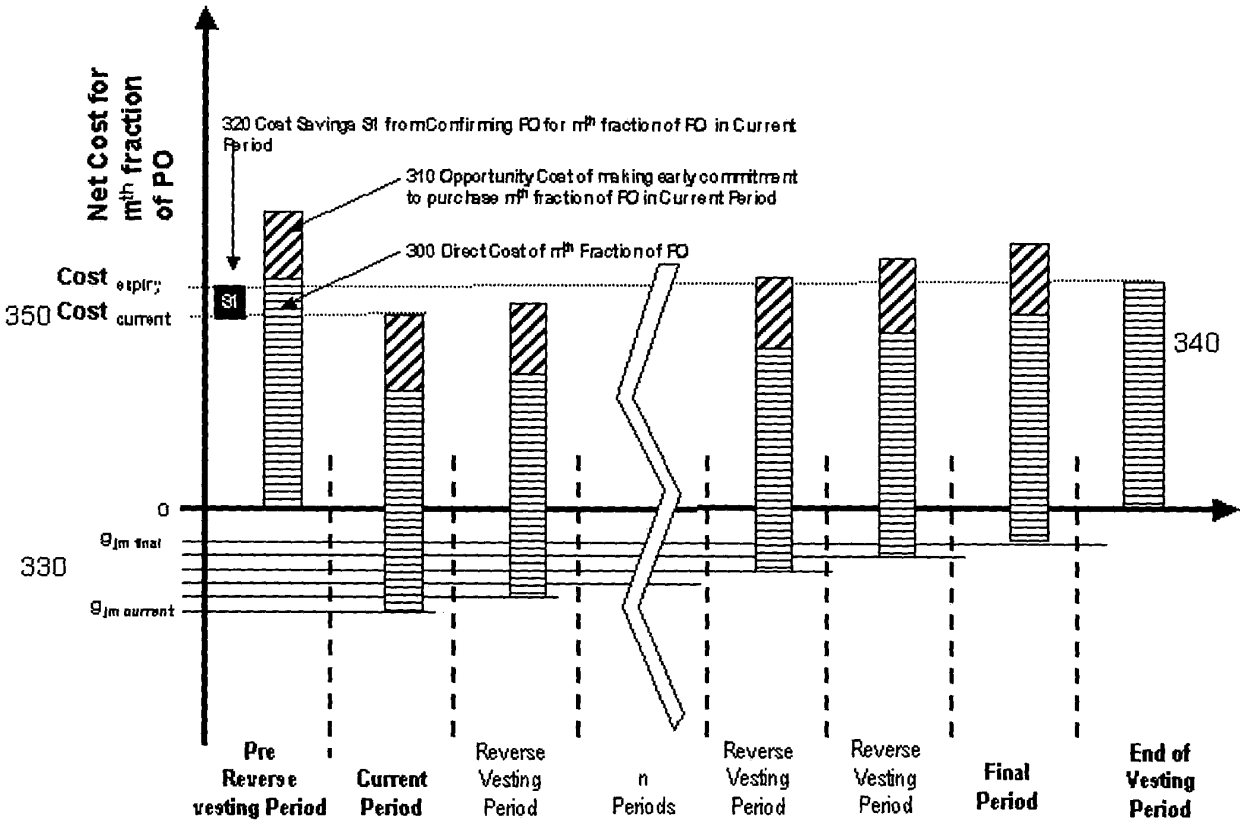
Net Cost for m^th fraction of PO
320 Cost Savings SI from Confirming PO for m^th fraction of PO in Current Period
310 Opportunity Cost of making early commitment to purchase m^th fraction of PO in Current Period
300 Direct Cost of m^th Fraction of PO
Cost expiry
350 Cost current
SI
340
0
g_jm final
330
g_jm current
Pre Reverse vesting Period
Current Period
Reverse Vesting Period
n Periods
Reverse Vesting Period
Reverse Vesting Period
Final Period
End of Vesting Period

Fig. 8

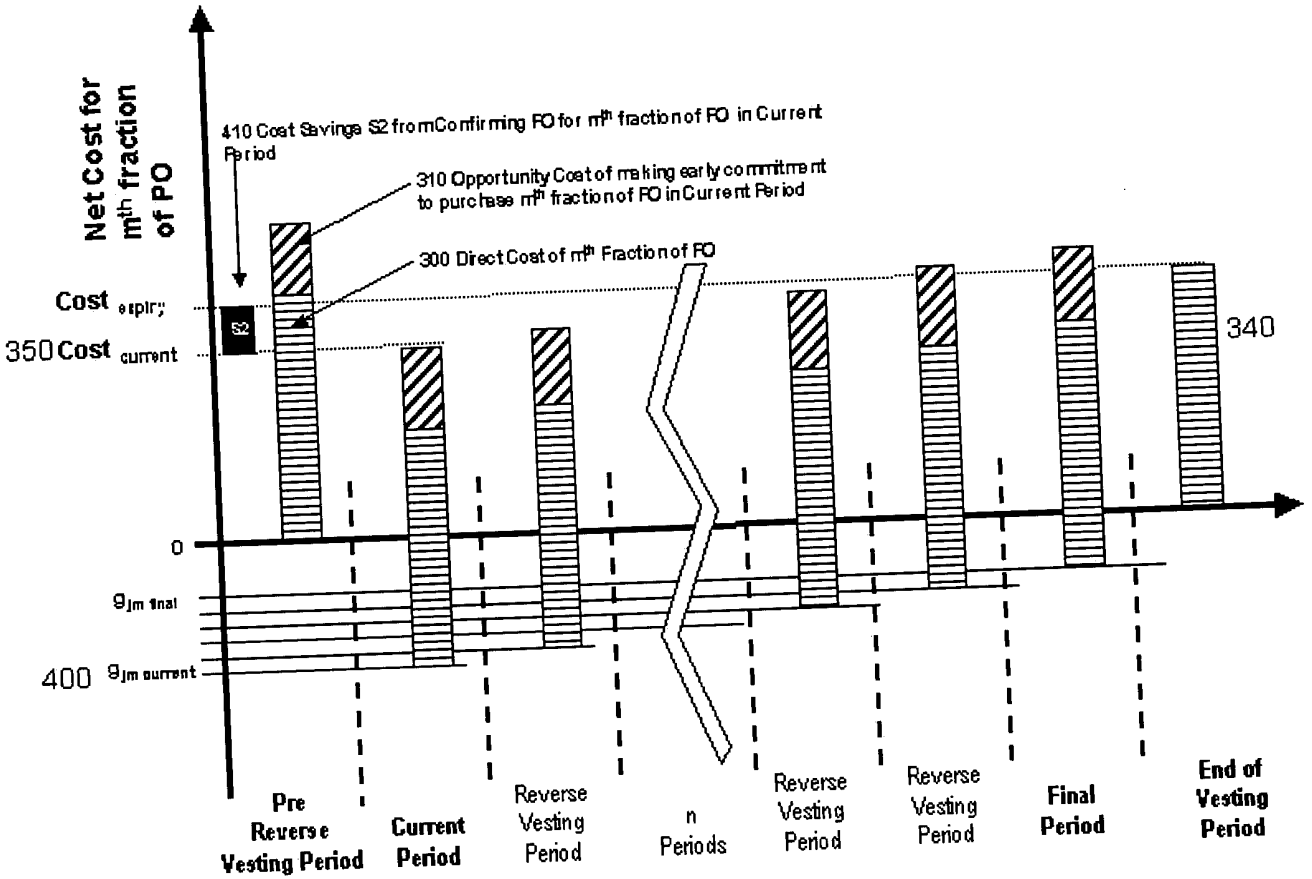
Net Cost for m^th fraction of PO
410 Cost Savings S2 from Confirming PO for m^th fraction of PO in Current Period
310 Opportunity Cost of making early commitment to purchase m^th fraction of PO in Current Period
300 Direct Cost of m^th Fraction of PO
Cost expiry
S2
350 Cost current
340
0
g_jm final
400 g_jm current
Pre Reverse Vesting Period
Current Period
Reverse Vesting Period
n Periods
Reverse Vesting Period
Reverse Vesting Period
Final Period
End of Vesting Period

Fig. 9